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WASHINGTON, D. C., TUESDAY, AUGUST 16, 1921. --SIXTEEN PAGES

HOUSE REVOLT **BEATS HARDING** TAX PROPOSAL

Party Insurgents Kill Plan of Retroactive Cut For Wealthy.

MOVE CARRIED OUT BY VOTE IN CAUCUS

Excess Profits Levy to Stay in Force for Rest Of Year.

An insurgent movement of unexpected strength sprang up in the ranks of House Republicans yester-

A party caucus turned down the recommendations of President Harding, Secretary of the Tressury Mellon and the majority of the Republican members of the House Ways and Means Committee, that reduction of the taxes on rich corporations and wealthy individuals be made retroactive to January 1, last

The Republicans voted 98 to 87 that the excess profits levy on corporations shall not be repealed and the surtaxes on persons with large ncomes shall not be reduced until January 1, 1922. The effective dat of the increase in the corporation ncome tax from 10 to 15 per cent as a partial substitute for the ex until next January, but the Ways and Means Committee, after the caucus, cut the increase to 121 per

Means More Revenue.

The action of the caucus means increased revenue during the current year of about \$350,000,000. It cuts the next tax reductions to only \$250,000,000 below the high war rates. As it now stands the tax bill will raise about \$3,350,000,000. This is about \$350,000,000 more than is

Mann, of Illinois, former Republican leader of the House, led the in-surgents. Back of him were nearly all of the Western and Middle Westra Republicans.

He argued that the retroactive eduction and repeal of these taxes yould enable the corporations to cket hundreds of millions which they had collected from the peo-ple for the government. All business concerns paying the excess profits, already have tacked on their roducts enough to pay this levy.

Republican Leader Mondell and

Following the cau Fordney introduced bill, after stating that a reduction from 10 cents a gallon to 6 cents in the levy on near-beer and other cereal beverages had beet, approved.

The Surgeon General's report to the President followed the conference of Southern States health officials called here early this month at the request of the President to bill, after stating that a reduction

vealed in the text of the bill and not heretofore made public, follow: beretofore made public. follow: "It quickly became apparent,"
virtual tax on undistributed Cumming's report stated "that the A virtual tax on undistributed earnings of corporations was put in the bill. The rate is 25 per cent in addition to other corporation taxes, with the provision that it shall apply only when corporations innound earnings with the intent of enabling their stockholders to escape the surtax on dividends that would otherwise be paid.

Tax on Liquor.

Cumming's report stated "that the interest of the assembled health of-lictals centered principally about two points; one, the bas's for holding that there existed an increased orevalence of pellagra; second, the use of the word 'famine' in describing the causes.

"So far as the first point is concerned all the health officers present with the exception of the State

Tax on Liquor.

bill. At present nonbeverage liquor, sippi, the only State having trustmuch of which, it is claimed, is being diverted to beverage purposes, pays a tax of only \$2.29 a gallon. This will enable the government to collect about three times as much in taxes from bootleggers when they are caught.

Confirms His Position.

Several Killed and Wounded

are caught.
All allotments of the veterans bureau to former soldiers or their dependents are tax exempt. The present tax on new insurance amounting to 8 cents for each \$100

is repealed.

A provision provides that when a taxpayer sustains a net loss during

Flat Tax Imposed-

A flat tax of 15 cents is imposed upon the profits derived from the sale of captal assets if the taxpayer's net income and capital as-sets gain together exceed \$32,000. Traveling salesmen will be allow-ed a deduction in their income tax all "traveling expenses, including the entire amount expended for meals and lodging while away from

home in pursuit of trade or busi-In anticipation of a Supreme Court decision holding unconstitutional the present taxes on personal service corporations the committee pro-vided that, in the event of such a decree, these corporations should be subject to the income and profits taxes now in effect for the years 1918, 1919 and 1920 and thereafter the flat corporation income tax.

Tax Board Provided.

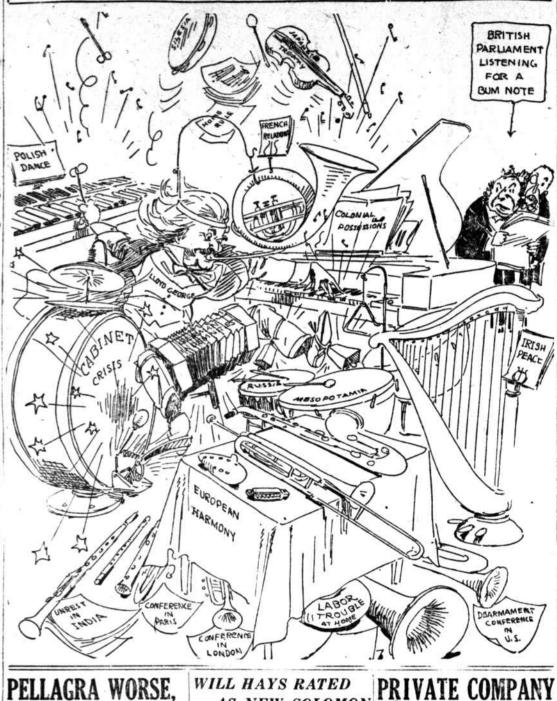
A tax simplification board to b composed of three members appointed by the President and three treasury officials is provided for the pur-pose of recommending further sim-plifications during the next three

Hereafter, tax disputes must be settled within three years, although five years are now allowed for cases

now pending.

To meet possible deficits the authorizations for short-term indebtdness are increased from a total of seven billion to seven billion, five

ONE MAN IN THE WORLD WHO CAN'T COMPLAIN OF Movie Experts UNEMPLOYMENT—By J. N. DARLING.



PELLAGRA WORSE, SURGEON GENERAL TELLS PRESIDENT

Reports Disease Increasing and Spreading Rapidly.

Surgeon General Cumming, of the Chairman Fordney of the Ways and Public Health Service, reported to Means Committee argued that the President Harding yesterday that Republican platform called for carly repeal of the excess profits are carly repeal of the excess profits and reduction of the high surspite denials of State officials. The The House probably will approve spread is due, he says, to the onethe delay. Democrats are solid for crop system, essential foods reit, and can control the vote by com-bining with the insurgent Repub-with difficulty and in some justances with difficulty and in some instances

the revenue ng people.
at a reduction The Surgeon General's report Other important tax changes, re- investigate the situation.

Few Statistics Available.

ent with the exception of the State All liquor which is used in any health officer of Mississippi, said no way for beverage purposes would reliable morbidity statistics were pay a tax of \$6.40 a gallon under the available for their States. In Missis-At present nonbeverage liquor, sippi, the only State having trust

"A careful review of all the facts icited by the conference fully elicited by the conference fully confirms, in my opinion, the posttion of the Public Health Service with respect to the increase of pellagra in various parts of the South."

The word "famine," Cumming exone year, this loss may be deducted plained, was used by the Public from the net income the following Health Service in a scientific restricted sense, referring to a diet which lacked some essential ele-ment or elements. "At the present time," he said

"the food situation, looked at from the standpoint of a physiologically complete diet, is acute in a number of localities."

Louisiana Law Dean Dies. NEW ORLEANS, La., Aug. 15.— Carleton Hunt, former member of

WILL HAYS RATED AS NEW SOLOMON

New Jersey Man Says Mail Head Acts With Divine Wisdom.

Postmaster General Hays thinks he has received a most lavish compliment.

It came in a letter from Charles V. Buck, of Freehold, N. J., and praised him for his invitation to the public to offer constructive criticism for the

good of the service. Mr. Buck compares the namic Mr. Hays to old King Solomon, noted, in his day, for

"Writing under Divine inspiration, a certain king of Israel was asked by the King of Kings what he desired and replied: wise and understa heart," says the letter,
"He was told 'to tean not unto

our own understanding." was Divine guidance, but in-asmuch as vox populi, vox Dei is calling for constructive criticism of your subordinates, the postm sters of the nation, you have literally followed, only in different way, Solomon's ad-ice. I want to express my appreciation of the wisdom you have thus shown, and by virtue which you have measured up Rudyard Kipling's realization of the ideal man, in his poem,

"If you can * * walk with kings * Nor lose the common touch."

REBELS LOOT BANK

Several Killed and Wounded In Fight to Depose Of-

ficials.

LIMA, Peru, Aug. 15 .- Reports rom the town of Iquitos, confirmed rom official sources, tell of an upising led by Capt. Cervantes, in which the government authorities of that town have been deposed and he Bank of Peru looted of sum esti-

nated at £13,000. Several persons were killed and ounded in the fighting. The location of three Peruvian gunboats on the Amazon River is unknown, since

the rebels are in control of the wireless station in that district, but Congress and dean of the law fra-brazil to blockade the river, if pos-ternity in Louisiana, is dead at his home here today. Death came late sible, while a strong detachment of yesterday following a stroke of forces is being sent overland from appolloy. Lima.

The Fortunate "Miss Washington"

Will have many things to be proud of, but none to compare with the honor of being selected as the most beautiful and attractive young woman in the District.

"Miss Washington" is being chosen through The Washington Herald. All that is necessary is to submit a photograph. There is no expense or solicitation involved.

For particulars, see page 9.

Hurry to City To Film Maids

Postpone Other Work and Snap "Miss Washington" Candidates.

Crawford and Carter, well-known motion picture camera men and directors, made a flymen and directors, made a fly-ing trip to Washington yester-day to complete photographing several of the candidates for the distinction of being selected as "Miss Washington." This in-sures not only better "movies," but an improvement in the pos-ing and scenic background.

g and scenic background. The two camera men had been The two camera men had been in Virginia making motion pic-tures of the endiess caveras on the estate of Col. E. N. Brown, personal friend of former President Wilson. Col. Brown permitted them to postpone completion of the picture in order to come to Washington and film the young women who have been the young women who have be-come candidate, for selection as "Miss Washington." As was true of the first pictures, these will be shown at Loews Palace and the Cosmos theaters and then at a number of other the-aters throughout the city.

CONTINUED ON PAGE NINE.

FIVE-GALLON STILL AND 1,000 QUARTS CAPTURED IN RAID

Police Say Bruegger Was Dispensing Drinks Behind Bar.

A five-rallon still ready for operation and alleged whisky, gin bitters and extracts aggregating nearly 1,000 quarts were confiscated when revenue agents and policemen raided the restaurant and near-been saloon said to be owned and operated by Fred Bruegger, at 210 Ninth street northwest, shortly after clock yesterday afternoon.

Bruegger was arrested and take the First precinct station. Late was released on \$2,000 bond for appearance before United States commissioner Hitt.

TAKES OVER SHOPS

OF ERIE RAILROAD

Obeying Orders of

U.S. Labor Board.

Monday by the Railway Service

under a lease and has offered eu-

Sunday Working Stopped

the ten-hour day in the shops here and stopped payment of overtime

the Erie employes as to whether they will accept the offer of the

company, the great majority of the

men being members of the Fed-erated Shop Crafts Unions.

Will Transfer Silvis Shops.

MOLINE, III., Aug. 15 .- Negotia-

ons are under way for the trans-

fer of the Silvis, Ill, shops of the

gest shops on the system
The Rock Island is also nego

tiating with the Baldwin Locomo-

o make good their threat and put their shops into private hands

their shops into private hands throughout the country in order to escape the orders of the railroad

Question 40 Chinese

traband liquor.

On August 7, the Eric resumed

was paid by the Eric Railroad.

shop.

or Sunday.

ompany, a private organization of

The confiscated contraband, which completely filled the large squad com at the First precinct police station, was removed from the New Plan Will Avoid "downtown distillery" in three patrol wagons. Included in the haul were 408 quarts of cognac, 192 quarts of gin, 161 bottles of cusic quarts of gin, 164 bottles of cusic tonic, twenty-four bottles of peach extract, fify-two quarts of "Queen Bitters," fortw quarts of bitters in a large container, and twelve quarts Railroad shops here were taken over of wine of pepsin.

still, resembling a nickleplated coffee urn, was of rude conocal bankers and business men. struction and was fully esuipped and ready for immediate use. Ac-The company will operate the shops ployment to all of the men in the in the manufacture of bitters shops and at the same wage that

Railway Service Company are mem-bers of the Marion Employers' As-sociation and advocates of the open serving the "libations" from behind the bar. A hurried search revealed

CONTINUED ON PAGE NINE.

DES MOINES MUTE or Sunday. As a private company, the Rall-way Service Company will not be under the Railroad Labor Board NOT TORONTO MAN nor the transportation act. Tonight men were stationed as guards around the shops. No statement has been made by

'Ambrose Small" Really John Daugherty, Poor Farm

Inmate. DES MOINES, Iowa, Aug. 15 .-

The mysterious cripple who two private detectives claimed was Ambrose Small, the missing Toronto Rock Island Railroad to private hands, it was reported here to-night. The Silvis shops employ 2,000 men and are one of the big-John Daugherty, an inmate of the John Daugherty, an inmaté of the county poor farm since January 11.

tive Works for the transfer of other of its shops, it was authori-The detectives, former Chief of Detectives John J. Brophy and his

other of its shops, it was authoritatively stated.

Adverse Decision Expected.
CHICAGO, Aug. 15.—The United States Railroad Labor Board is expected to announce within two days that the application of railroads for plece work pay, instead of hourly pay, in railroad shops will be denied
As the carriers have insisted that the only way they could run their shops economically was on a piece-shops economically was on a piece-specific property of the state of the thops economically was on a piece-work basis, it is considered possi-ble that the railroads are going appear from Toronto until Decem-ber, 1919.

ber, 1919.

The case against the two detectives will probably be dropped.

Sucked Into Ocean Cave. Army Wife Is Drowned

board.
J. G. Walber, representing the
Eastern railroads made the announcement before the board last Special Cable to The Washington Reraid and Chicago Tribune.) HONOLULU, Aug. 15.—While their shop work in private hands bathing off a rock promontory at the northeastern point of Oahu Is-land. Mrs. Orville E. Webb, wife f they were not allowed to pay nopmen on piece work basis. The action of the Erie and the of an American army sergeant, west drowned yesterday when she was drawn into a submarine cave by unofficial announcement of the intended action of the Rock Island. powerful suction caused by waves and tide. The body has not yet been recovered. Mrs. Webb had stopped over while on the way to Found on Steamship

ioin her husband in the Philippines.
A grim clue to two fishermen who left the island of Maui two weeks NEW YORK, Aug. 15 .- Interprechinamen dragged from a ballast tank in the steamship Bowes Castle to determine whether they were Japanese fishermen, was cut open smuggled into the country.

The Chinamen were found by customs officers in search of conboat was washed ashore several

TAKE PART IN **ARMS PARLEY**

French Premier Decides To Head Conference Delegation.

PRESIDENT ASKS FOR ONLY \$200,000

Fletcher Says Sum Is Figured on 2 Months' Basis.

Premier Briand of France notified President Harding yesterday that he will attend in person the Washington conference on reduction of armaments next November as one of the representatives of France. Premier Briand, of course, will head the French delegation and the

chortly by an announcement from Creat Britain that Premier Lloyd George also will participate in the conference. Myron T. Herrick, the American Ambassador to France, notified the State Department of the French government's formal acceptance of the President's invitation to the

formal announcement of his coming.

it is believed here, will be followed

sage:
"'remier Briand authorizes me to exp ess through you to the Presi-den his appreciation of the invita-tion to the Washington conference on November 11 and to say to the resident that he shall have great leasure in attending the confernce in person as the head of the nench delegation."

cor erence in the following mes-

Will Use Two Languages

Reports from abroad that the English language would be the of-ficial language of the conference and that French would be barred were authoritatively denied at the tate Department. Officials were at a loss to inderstand how such an mpression could have gone abroad English, it was st ted, would of course be employed in the confer-ence but French also will be permirted and records of the proceed-ings undoubtedly will be kept in both languages as was done at the

ersailles conference.
As host to the conference the United States government wishes to earry out its motive for econorand present indications are that t government will be a frugal host airing to curtail some of the ex travagances which obtained at Paris during the Peace Conference.

Asks for Only \$200,000.

This was clearly forecast yester day when President Harding transmitted to the Senate a request from the State Department for . appro-priation of only \$200.000 to defray the expenses of American participants in the conference

Senators spoke appreciatively of the administration's economy when it was recalled that President Wilin the manufacture of bitters
in the manufacture of bitters
in the manufacture of bitters
The raiding party, composed of the raiding party, composed of the raiding party, composed of the fevenue Agent Harold Stephenson.
Detectives Fewler and Saikeld, of the First precinct, and Patrolman Rosenberg, of the Fourth precinct.
Rosenberg, of the Fourth precinct.

Som spent some some in the in the manufacture of bitters
in the negotiations at Paris. They
had feared that with the American
government acting as host, expenditures might run into figures hardly compatible with the efforts to
save money by disarmament agreements. litures might run into figures hard- viets

in the way of entertaining will have to be done by private means or by the visitors themselves. The \$200,000 will no more than suffice for the pare necessities of the par-Long Conference Predicted.

The appropriation requested by he State Department will be in-luded in the Shipping Board defi-iency bill in order to make it immediately available so that the State Department can begin organizing for the conference. In ex-planation of the requested appro-priation President Harding furnished the Senate with a copy of a letter written by Under Secretary of State Fletcher in which he stated that another appropriation would be necessary if the conference contin-ues for more than two months. The general opinion here is that it will be prolonged into next year with a holiday recess as a probability. Mr. Fletcher's figures do not ap-pear to include amounts which must

be paid the delegates for their extraordinary expenses, nor do they stipulate the exact compensation which is to be paid the negotiators and their expert advisers.

Will Require Secretariat. Among the minimum require-ments this government will have to meet is listed "the organization of a secretariat general for the confer-ence." The preparations contem-

CONTINUED ON PAGE TWO.

Father and Babe Die in Desert With Water Near

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Mojave Waste Claims Californian and Child. Others Saved.

KINGMAN, Aris., Aug. 15.— The bodies of August Kaufman, of Pasadena, Cal., and his 3year-old daughter, both of whom died of thirst in the Mo-jave Desert, were brought here today.

Kaufman and his family were

touring from California to a ranch in Pinal County.

According to the story told by Mrs. K. ufman, who, with the ny mrs. R. Libran, wao, with the two other chikiren, also nearly died of thirst before they were found, Kaufman left the auto-mobile on foot Wednesday night to look for water. For three to look for water. For three days he wandered through the desert before he finally collapsed. His body was found near the Yuma County line. Meanwhile, his daughter, Lillian, died in the auto from thirst and exposure,

The rest of the family was rescued by Joseph Ruddy, a

rescued by Joseph Ruddy, a

ranchman.

In his search, Kaufman had passed within fifty yards of an artificial reservoir for sheep and cattle, officers said, and he had stopped his automobile to start his foot journey within five minutes' ride of the Clarence Mun ranch. ence Mann ranch.

WILLIONS FACE DEATH WITHOUT **HOPE OF RELIEF**

Impossible.

Special Cable to The Washington Herald disputched.
and Chicago Tribune.) program of

HARBIN, Aug. 15 .- According to ose figures. The Soviet governholera, has issued decrees forbidountry, and also all local transportation except for the military and officials.

Vast streams of people have been raveling through Chita .but most f them have been making for the Amur River region, where they will establish themselves.

Unofficial reports reaching here indicate disorders of a serious nature at Irkutsk, with many casualties Hostile bands are operating near Verkne-Udinsk, while beyond that

famine grips the country. Seed Lacking in Volga. In the neighborhood of

here is a food shortage, while in ing. Much of this year's food shortge is b'amed on the peasants, who, t is said, refused to plant more than a fourth of the usual acreage

Cholera, typhus and bubonic plague are taking a heavy toll in the vast area from Kazan and Saments.

It is apparent that whatever fuss mera to Astrakhan. The decree forand feathers attend the conference diding travel also prevents the people from leaving the villages in people from leaving the villages in search of food: so, with the long winter coming on millions must die, since timely aid from America is impossible.

house of commons today. He demind that this release could be construed as a grant of amnesty to solutional prisoners or that it constituted a precedent for further lib-

Menaced by Hungry Soldiers. A most disturbing report, mak

ing for the uncertainty of relief. has long been unpaid and whose rations have been most scanty, is s'owly making its way across Siberia on foot, looting and pillaging. and is gathering strength by the addition of numerous peasants. It government's refusal to release cerany relief that might come from the East.

If it were possible to bring aid from America quickly, it could not be transported in sufficient quan-tities on account of lack of rail-road cars and engines. The railcoad cars and engines. The rail-coads are in frightful shape on ac-count of the long unsettled condiions in the country.

Experts have estimated that 19.-000,000 pounds of ground grain are needed daily if all lives are to be saved. This would necessitate thir-teen daily trains of forty cars each The Siberia-Vladivostok line is cateen daily trains of forty cars each. The Siberia-Vladivostok line is capable of handling only three trains daily. Heavy grain shipments now the resilience of the resilience daily. Heavy grain shipments now would only congest the ports, but would only congest the ports, but relief next year will be even more day when the government control necessary than at present. (Copyright, 1921.)

The Herald's Ad-Index

TUESDAY MORNING, AUGUST 16, 1921.

A representative index of local advertisers who offer unusual opportunities is listed below

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ON IRISH STAND

British Officials Confident No Break Will Come.

LEAVES GRANTED SOLDIERS IN ERIN

Crown Making No Preparations for Renewed War.

Special Cable to The Washington Herald and United News.)

LONDON, Aug. 15 .- On the eve of the most momentous session of the Dail Eireann in history, both London and Dublin are apparently hope ful that whatever action is taken by the Irish parliament the door for further peace negotiations will be left open.

Members of the government at east are confident that Sinn Fein proposals, and predict that the negotlations may continue for months before the leaders on both sides reach a definite conclusion.

Expect Truce to Hold.

The Irish office believes that the and effectively maintained since it first became operative is in no way endangered, and as evidence cites the fact that the government is making no preparations for such an Timely Aid to Russians
In Vast Area Held
Impossible
Impossible

several days before an answer to program of the Irish parliament The opening day's omorrow, according to dispatche from ublin, will consist of the e best reports reaching here from speaker's assumption of the chair, in of newly-elected member of the Dail, the call to order by 'resident De Valera, and the elec-

tion of a deputy speaker. De Velera Seaks Wednesday,

reports will be read and acted upon, and De Valera will then make his explanatory address dealing with the present situation.

It is pointed out in authoritative parters ; hat the unanimity of the George should discourage the Dai from taging any rash action lead-ing to a resumption of warfare. Nevertheless, the liberal Evening speculating George's next step, declares that if the Irish parliament rejects the Premier's offer absolutely, Llayd George may be strongly tempted to test English feeling by calling

for a general election on the Irish The greatest obstacle to a quick settlement, it is generally agreed, is the knotty problem of Uniter. And a majority of the British artics are counseling Sinn Fein to "take a broad view of the question and let Ulster alone, allowing time to meliorate the hatreds engendered

Defends Liberations.

by the war."

Lloyd George defended the government's purpose in releasing from prison the members of the Eireann, in reply to questions in

"The government," he said, "had to consider the desirability of giv-ing an oportunity to those who reprerented a majority of the Irish people to come to a conclusion on a matter vitally important to our wm country as well as theirs. It wuld be a great mistake if there had been a failure because of the

Think Smuts Did Not Make Letter Public

(Special Cable to The Washington Retails and Chicago Tribune.)

DUBLIN, Aug. 15.—Dail Eircann states that Ermonn de Valera dots not believe Gen. Smuts authorized the publication of his letter by the British government which, it declares, simply summarizes the general's own views. Irish leaders say it should not have been published it should not have been published

Sean O'Ceallaigh, Sinn Fein envoy to France, who has just returned from Paris, says the press and political leaders abroad are favorable to Irish aspirations. He declares the Irish question is no longer regarded by the governments and peoples of as a domestic one for the

Europe as a British Empire. (Copyright, 1921.) Frank Walsh Present

At Preliminary Meet DUBLIN, Aug. 15. — Among the Sinn Fein "powers" who attended the private and informal meeting of the Dail Eircann today, at which preliminary discussion of the British government's peace proposals was held, were Frank P. Waish, the Irish "republic's" representatve at Washington, and Gavan Duffy, Sins

Fein's envoy to Rome. Lloyd George's reply to De Valera's letter was minutely dissected and discussed from every angle, and the peace negotiations reviewed from beginning to end.

Many of the Dall members from the provinces, who today, for the first time, learned exactly what the government's terms were, expressed the individual opinion that while Lloyd George's proposals contain tremendous concessions compared with previous home rule bills, they do not form a complete answer to Ireland's demand for absolute self-